

New Worker Training Program		Agency/Program #: 6501-51-I2
		Division: Business Resources
		Program:
Agency Name:	Department of Commerce	
Agency Contact:	Andy Poole	841-2707
LFC Contact:	Representative Ripley, Representative Erickson	
LFD Liaison:	Pam Joehler	444-2722
OBPP Liaison:	Mark Bruno	444-4588

Program or Project Description:

The Primary Sector Business Workforce Training Act was created to meet the training needs of existing industries in the state and to provide incentives to businesses to locate and expand within the state through government-assisted new jobs training. It is the intent of the legislature to provide training funds for businesses to train and educate employees, which will result in the production of high-wage and high-skilled jobs that will increase the earning potential and employment opportunities for Montana employees and enhance the state's economy.

Appropriation, Expenditure and Source					
Fund Name:	2008		2009		Approp & Expenditure numbers are as of April 15, 2008
	Approp.	Expended	Approp.	Expended	
General Fund					
State Special					
Federal Funds					
Total:	\$0	\$0	\$0	\$0	

Legislative Goal(s):

Meet the training needs of existing industries in the state and to provide incentives to businesses to locate and expand within the state through government-assisted new jobs training.
 Providing training funds for businesses to train and educate employees, which will result in the production of high-wage and high-skilled jobs that will increase the earning potential and employment opportunities for Montana employees and enhance the state's economy.

Legislative Performance Measures :

Train a greater number of Montana workers in new skills than is required by statute with the money appropriated.

Document that the number of net new jobs for Montana workers exceeds the statutory minimum.

Document the amount by which average new wages for all Montanans trained under the program exceeds the average wage for the state or county.

Using IMPLAN as an economic analysis tool, project that the new tax revenue to the State general fund as a result of the annual projects funded will exceed the amount granted.

Document that funds leveraged by the program exceed the statutory requirement.

2009 Biennium Significant Milestones:		Completion Dates	
		Target	Actual
1			
2			
3			
4			
5			

Agency Performance Report:

Based on the funds committed to date the statutory \$5,000 per employee would train 1034 workers. The proposals funded to date project 1,120 workers to be trained.

Based on an analysis of the pay levels for 2,327 projected new jobs utilizing training assistance through the WTG program, the average wage paid will be \$20.10 an hour compared to the current state average of \$15.48 an hour. The average wages paid through WTG training exceeds the current state average by 30%. Since past average state wage rates were lower this is a conservative comparison.

Based on the projects funded below the annual return to the state for new tax revenue is \$3,106,040 compared to the \$5,168,538 committed to date. The new projected tax revenue will exceed the amount committed within two years and will continue beyond that date for increased returns.

The \$5,168,538 of state funds would have to be matched by \$1,722,846 to meet statute. The leverage for the projects committed to date is \$98,676,041 dollars of other investment. The statutory minimum is exceeded by \$96,953,195 in leverage.

LFD Narrative:

LFD ASSESSMENT: On-Track

DATA RELEVANCE: The information reported in the Agency Performance section relates to the legislative goals and performance measures.

APPROPRIATION STATUS: Appropriation and expenditure data were not provided

COMMENTS: The amount committed in FY 2008 exceeds the legislative appropriation by \$1.2 million. The subcommittee may want to request an explanation from the agency on how these grant funds are committed and expended throughout the biennium.

OPTIONS:

- 1) Dismiss from further review
- 2) Review again in October 2008
- 3) Request additional information
- 4) Upgrade or downgrade the rating

Potential Questions for the Committee:

- What budget changes are being considered for the 2011 biennium for this program and why?
- What are the next steps in implementation to assure continued positive outcomes?
- Are there any potential obstacles in the near future that may change the course of this initiative or progress towards the goal?
- How is this level of performance going to be sustained?
- Why was this particularly successful?



Version	Date	Author
	5/21/2008	Joehler

Change Description
Added LFD narrative; cut & pasted from agency submitted document

WTG Master Tracking

FY2008

Grantee	Location (City, County)	Award Amt.	# to be Trained	Leverage/ Match	Estimated Cost Benefit/Return to State General Fund Annually
Centene Corporation	Great Falls, Cascade County	\$480,700	100	\$2,420,000	\$230,314
PrintingForLess.com	Livingston, Park County	\$480,000	96	\$2,050,000	\$248,810
Chinook Wireless	Great Falls, Cascade County	\$295,000	59	\$20,000,000	\$212,551
TeleTech	Kalispell, Flathead County	\$400,000	80	\$913,392	\$109,596
Watkins Shepard Trucking, Inc.	Missoula, Missoula County	\$315,000	63	\$9,679,600	\$141,006
Cable Technologies, Inc.	Great Falls, Cascade County	\$342,138	100	\$144,268	\$208,446
St. Vincent Hospital	Billings, Yellowstone County	\$200,000	40	\$563,000	\$116,426
Ernest Health, Inc. Cherokee Capital, Inc. dba Hobson Insurance	Billings, Yellowstone County	\$575,000	115	\$15,460,000	\$415,539
BioScience Laboratories, Inc.	Hobson, Judith Basin	\$18,334	5	\$160,800	\$6,244
AvMax Montana, Inc.	Bozeman, Gallatin	\$50,000	10	\$844,364	\$36,182
	Great Falls, Cascade County	\$179,866	74	\$3,749,117	\$213,489
Bresnan	Billings, Yellowstone County	\$600,000	120	\$34,714,000	\$411,372
Glacier Stone Supply	Kalispell, Flathead County	\$232,500	58	\$77,500	\$172,946
GE Capital Corporation	Billings, Yellowstone County	\$1,000,000	200	\$7,900,000	\$583,119
2008 Totals		\$5,168,538	1120	\$98,676,041	\$3,106,040